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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/709,977	06/10/2004	Lydia Breck	40655.0736	3976

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EXAMINER	
LOFTUS, ANN E	

ART UNIT	PAPER NUMBER
3691	

NOTIFICATION DATE	DELIVERY MODE
01/25/2010	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No.	Applicant(s)	
	10/709,977	BRECK ET AL.	
	Examiner	Art Unit	
	ANN LOFTUS	3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *03 December 2009*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *12-17* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *12-17* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Status of the Claims

1. This action is in response to an amendment filed 12/3/09. The application is a continuation of 09/800,461 (US 7627531) which claims three provisionals, the earliest of which is dated 3/7/2000. Claims 1-11 are cancelled and 12-17 are new.

Continued Examination Under 37 CFR 1.114

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission has been entered.

Response to Arguments

3. Applicant's arguments have been considered but are moot in view of the new ground(s) of rejection.

The examiner notes that the following Official Notices are part of the art of record since they were not seasonably traversed.

- Official Notice is taken that if a product is purchased by redeeming an award, then the award account balance is reduced by an amount equivalent to the transaction amount.

- Official Notice is taken that these transaction settlement steps are old and well known:
  - Capturing transaction settlement information in a financial capture system
  - Creating an accounts payable file and routing the accounts payable file to an accounts payable system for payment processing
  - Forwarding the transaction settlement information to an accounts receivable system.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 12-14 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The Bilski decision establishes the following test for claimed processes under 35 USC 101. The process passes if :

> "(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See Benson, 409 U.S. at 70 ('Transformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines.'); Diehr, 450 U.S. at 192 (holding that use of mathematical formula in process 'transforming or reducing an article to a different state or thing' constitutes patent-eligible subject matter); see also Flook, 437 U.S. at 589 n.9 ('An argument can be made [that the Supreme] Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a 'different state or thing' ');

> Cochrane v. Deener, 94 U.S. 780, 788 (1876) ('A process is...an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing.').[7] A claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed. And a claimed process that transforms a particular article to a specified different state or thing by applying a fundamental principle would not pre-empt the use of the principle to transform any other article, to transform the same article but in a manner not covered by the claim, or to do anything other than transform the specified article." (*In re Bilski, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008))*

The Office memo

http://www.uspto.gov/web/offices/pac/dapp/opla/documents/bilski_guidance_memo.pdf

denotes two corollaries to the machine or transformation test, also based on Bilski. The limitation to a particular machine or transformation must impose meaningful limits on the method claim's scope, and the particular machine or transformation must be central to the purpose of the claimed process, and not mere extra-solution activity such as gathering data or recording results. Reciting "at, with, nearby or alongside a computer," or data on a computer, is not sufficient to ensure that the method step is performed **by** a computer.

As far as the transformation, Bilski also says on page 28 "Purported transformations of manipulations simply of public or private legal obligations or relationships, business risks, or other such abstractions cannot meet the test because they are not physical objects or substances, and they are not representative of physical

objects or substances." The transformation of data unrelated to the physical world is thus not sufficient.

Considering claim 12, the claim recites 11 steps. Only the second step, identifying the account, is positively recited as performed by a computer. Identifying the account is extra solution "data gathering" activity, preparatory to the solution steps provided by the invention. Thus this recitation of a computer is not sufficient to describe a process tied to a particular machine. Dependent claims 13 and 14 do not fix the problem.

Claims 12-14 are not tied to a particular machine or apparatus nor do they transform a particular article into a different state or thing therefore, these claims are directed to subject matter that is non-statutory under § 101.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.
>
> The factual inquiries set forth in Graham v. John Deere Co., 383 U.S. 1,148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:
>
> 1. Determining the scope and contents of the prior art.
> 2. Ascertaining the differences between the prior art and the claims at issue.
> 3. Resolving the level of ordinary skill in the pertinent art.
> 4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

> Specific findings on the level of ordinary skill in the art may be omitted if the cited prior art reflects an appropriate level and the need for testimony is not shown. Okajima v. Bourdeau, 261 F.3d 1350, 1355 (Fed. Cir. 2001).

7. Claims 12, 13, 15 and 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over US 5883810 filed 9/24/97 by Franklin, in view of US 5689100 filed 3/21/96 by Carrithers.

As to claims 12 and 15, Franklin discloses in col 8 lines 57-62 and col 10 near line 56 authenticating a user and a merchant with a provider.

Franklin discloses in col 8 line 60 to col 9 line 10 generating a secondary transaction number (STN) wherein the STN is generated at a remote server of the provider and wherein the STN is associated with the ("primary")account.

Franklin discloses in col 10 lines 1-5 and col 2 lines 48-55 creating a STN profile (transaction record) including information relating to a cash equivalent amount available to the STN.

Franklin discloses in col 10 lines 6-13 transmitting the STN from the remote server to the user.

Franklin discloses in col 10 lines 16-18 discloses auto-filling the STN into a transaction request provided to the merchant.

Franklin discloses in col 10 lines 38-50 receiving at the provider a transaction authorization request from the merchant wherein the transaction authorization request includes the STN.

Franklin discloses in col 11 near line 42 authorizing the transaction,

Franklin discloses in col 10 lines 1-5 recording a record of the transaction in the STN profile.

Franklin discloses in the abstract a secondary transaction number linked to a primary account, but Franklin's primary account is not a non-currency based account. Carrithers in col 6 line 60 - col 7 line 13 discloses:

- a method for facilitating a non-currency based transaction,
- identifying via a computer of the provider, a non-currency based account of the user, the non-currency based account being associated with a non-currency based program (Identifying an account is inherent in determining sufficient funds in the account).
- Converting accumulated non-currency based value in the non-currency account into a corresponding cash equivalent;
- Determining that the corresponding cash equivalent is not less than a transaction amount, the transaction amount being at least a portion of a price associated with at least one of a good or service.

It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Franklin to substitute Carrithers' non-currency based account for the primary account in Franklin, with predictable results and a reasonable expectation of success, in order to allow broader secure use of non-currency credits.

As to claims 13 and 16, Franklin discloses designating limited use parameters and associating the limited use parameters with the STN in col 2 lines 48-55.

8. Claims 14 and 17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Franklin, in view of Carrithers as filed above, further in view of Official Notice.

As to claims 14 and 17, Franklin teaches a settlement process in col 11 lines 45 to col 12 line 9. Franklin does not teach the details of the settlement.

Carrithers teaches creating a file and routing it as posting a transaction, where file is interpreted as any collection of electronic data. Carrithers teaches in col 9 lines 1-61 capturing transaction settlement information in a financial capture system, in claim 12 creating an accounts payable file and routing the accounts payable file to an accounts payable system for payment processing, and in col 9 lines 1-61 forwarding the transaction settlement information to an accounts receivable system (billing). Carrithers thus supports the Official Notice, now admitted prior art, that the following was old and well-known at the time of the invention:

- Capturing transaction settlement information in a financial capture system
- creating an accounts payable file and routing the accounts payable file to an accounts payable system for payment processing
- Forwarding the transaction settlement information to an accounts receivable system.

It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Franklin to add these limitations in order to use generally accepted accounting terminology and practices for settlement.

Franklin discloses recognizing that that the settlement information includes the STN in col 12 lines 1-9.

Franklin does not disclose, but Carrithers does in col 9 l;ines 25-35 issuing a credit from the non-currency based account to the accounts receivable system, wherein the credit from the non-currency based account offsets at least part of the transaction amount. It would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Franklin to add this limitation in order to allow broader secure use of non-currency credits.

Conclusion

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ann Loftus whose telephone number is 571-272-7342. The examiner can normally be reached on M-F 8-4.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alex Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

AL

/Alexander Kalinowski/
Supervisory Patent Examiner, Art Unit 3691